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Attorneys for Chapter 11
Debtor and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION**

In re:	) Case No.: 2:22-bk-10266-BB
)
ESCADA AMERICA LLC,	) Chapter 11 Case
)
Debtor and Debtor in Possession.	) CHAPTER 11 STATUS REPORT;
	) DECLARATION OF KEVIN WALSH IN
	) SUPPORT
)
	) <u>Hearing:</u>
	) Date: November 30, 2022
	) Time: 2:00 p.m.
	) Place: Courtroom 1539
	) 255 East Temple Street
	) Los Angeles, CA 90012
)
	) Hearing to be held in-person and by video-
	) conference Government Zoom, see Court's
	) website under "Telephonic Instructions" for
) more details:
) https://www.cacb.uscourts.gov/judges/honor
) able-sheri-bluebond
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**TO THE HONORABLE SHERI BLUEBOND, UNITED STATES BANKRUPTCY
JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA:**

Escada America LLC, a Delaware limited liability company, (the “Debtor”), the debtor and debtor in possession in the above-captioned chapter 11 bankruptcy case, hereby respectfully files its chapter 11 status report in advance of the chapter 11 status conference hearing set for November 30, 2022.

A. General Background and Ongoing Mediation

1. The Debtor commenced its bankruptcy case by filing a voluntary petition under chapter 11 of the Bankruptcy Code on January 18, 2022, (the “Petition Date”).¹ The Debtor continues to manage its financial affairs, operate its business, and administer its bankruptcy estate as a debtor in possession.

2. On May 18, 2022, the Office of the United States Trustee (the “UST”) appointed an official committee of unsecured creditors (the “Committee”) comprised of three committee members: (1) Simon Property Group, Inc.; (2) Ala Moana Anchor Acquisition, LLC, c/o Brookfield Properties Retail, Inc.; and (3) 717 GFC, LLC c/o Wharton Properties. ECF 172.²

3. Through a series of stipulations between the Debtor and Committee, the hearing on the approval of a disclosure statement was continued many times, and the Debtor agreed to withdraw its plan and disclosure statement by no later than September 28, 2022. ECF 291.

4. On September 26, 2022, the Debtor voluntarily withdrew its plan and disclosure statement. ECF 315.

5. The Debtor and the Committee stipulated to attend a mediation. ECF 291.

6. On November 8, 2022, principals and counsel for the Debtor, the Committee, and Mega International LLC (“Mega”), Escada Sourcing and Production LLC (“ESP”), Eden Roc

¹ On May 4, 2022, the Debtor amended its voluntary petition so as to redesignate this case from a subchapter V, small business reorganization, to a traditional chapter 11 reorganization [ECF 149].

² On August 24, 2022, the UST removed 717 GFC LLC from the Committee, leaving a committee of two members: (1) Simon Property Group, Inc.; and (2) Ala Moana Anchor Acquisition, LLC, c/o Brookfield Properties Retail, Inc. ECF 292.

1 International LLC (“Eden Roc”, together with Mega and ESP, the “Secured Creditors”),
2 personally attended a first session of mediation at Debtor’s counsel’s office in Los Angeles,
3 California to try to resolve their disputes. Although the parties mediated in good faith, they were
4 unable to resolve their disputes. The parties agreed to attend further mediation sessions by
5 remote means.

6 7. Principals for the Committee and the Secured Creditors attended via
7 videoconference a second session of mediation on November 15, 2022. While the parties tried
8 in good faith to resolve their disputes, they were not able to do so at that mediation session.

9 8. Principals for the Committee and the Secured Creditors attended via
10 videoconference a third session of mediation on November 17, 2022. The parties continued to
11 make progress toward resolving their disputes.

12 9. The Committee, the Secured Creditors, and the Debtor desire to continue the status
13 conference hearing and all other matters in this case set for hearing on November 30, 2022, to
14 December 14, 2022, to permit settlement discussions to continue in the hopes of reaching a
15 resolution. The parties anticipate filing a separate stipulation and proposed order thereon for
16 continuances of those hearings

17 **C. Cash Collateral**

18 10. The Debtor has shared a cash collateral budget with the Committee, and, after
19 receiving Committee input, intends to file it with the Court.

20 **D. Pending Motions and Applications**

21 11. The estate’s professionals’ fee application are currently set for hearing at 2:00
22 p.m. on November 30, 2022. ECF 353, 357, 358. The parties have agreed and are requesting
23 that these hearings be continued to December 14, 2022, at 2:00 p.m.

24 12. The Debtor anticipates that one more fee application for its tax accountant will be
25 filed by no later than November 23, 2022, and also set for hearing on December 14, 2022, at
26 2:00 p.m.

E. Estate Professionals

13. The Debtor retained Levene, Neale, Bender, Yoo & Golubchik L.L.P as its general
bankruptcy counsel. ECF 80, 90.

14. The Debtor retained Holthouse, Carlin & Van Trigt LLP as its accountant. ECF
94, 134.

15. The Committee retained Kelley, Drye & Warren LLP as its bankruptcy counsel.
ECF 210, 244.

16. The Committee retained Emerald Capital Advisors as its financial advisor. ECF
280, 303.

Dated: November 18, 2022

ESCADA AMERICA LLC

By: /s/ John-Patrick M. Fritz
JOHN-PATRICK M. FRITZ
LEVENE, NEALE, BENDER,
YOO & GOLUBCHIK L.L.P.
Attorneys for Chapter 11
Debtor and Debtor in Possession

DECLARATION OF KEVIN WALSH

I, Kevin Walsh, hereby declare as follows:

1. I have personal knowledge of the facts set forth below and, if called to testify, would and could competently testify thereto.

2. I am the Director of Finance for Escada America LLC, a Delaware limited liability company. (the "Debtor"), the debtor and debtor in possession in this chapter 11 bankruptcy case.

3. I am an experienced finance professional, having worked for the Debtor since 2016 and with prior work experience at Fortune 500 companies including Johnson & Johnson (Controller/Director) and Pfizer (Finance Director).

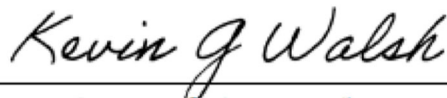
4. I have reviewed and am familiar with and am knowledgeable about the books and records of the Debtor, which books and records are made in the regular practice of business, kept in the regular course of business, made by a person with knowledge of the events and information related thereto, and made at or near the time of events and information recorded.

5. I make this declaration in support of the status report (the "Status Report") to which it is attached.

6. I have read and reviewed all of the information provided in the Status Report, and the information provided in the Status Report is true, correct, and accurate.

I declare and verify under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed on this 18th day of November 2022, at Florham Park, New Jersey.



Kevin Walsh, Declarant

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 2818 La Cienega Avenue, Las Angeles, CA 90034

A true and correct copy of the foregoing document entitled **CHAPTER 11 STATUS REPORT; DECLARATION OF KEVIN WALSH IN SUPPORT** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **November 18, 2022**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On **November 18, 2022**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **November 18, 2022**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

The Honorable Sheri Bluebond United States Bankruptcy Court Central District of California Edward R. Roybal Federal Building and Courthouse 255 E. Temple Street, Suite 1534 / Courtroom 1539 Los Angeles, CA 90012		
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November 18, 2022

Date

Jason Klassi

Type Name

/s/ Jason Klassi

Signature

2:22-bk-10266-BB Notice will be electronically mailed to:

Dustin P Branch on behalf of Creditor The Macerich Company
branchd@ballardspahr.com, carolod@ballardspahr.com;hubenb@ballardspahr.com

John C Cannizzaro on behalf of Creditor 717 GFC LLC
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Michael J Darlow on behalf of Creditor Harris County Municipal Utility District #358
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Caroline Djang on behalf of Interested Party Caroline R. Djang
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Eryk R Escobar on behalf of U.S. Trustee United States Trustee (LA)
eryk.r.escobar@usdoj.gov

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William W Huckins on behalf of Creditor SIMON PROPERTY GROUP INC
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Kristen N Pate on behalf of Creditor Brookfield Properties Retail, Inc.
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Eric S Pezold on behalf of Creditor Escada Sourcing and Production, LLC

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2 Eric S Pezold on behalf of Creditor Mega International, LLC
epezold@swlaw.com, knestuk@swlaw.com

3 Terrel Ross on behalf of Interested Party TR Capital Management LLC
4 tross@trcmllc.com

5 Lindsey L Smith on behalf of Debtor Escada America, LLC
6 lls@lnbyg.com, lls@ecf.inforuptcy.com

7 Ronald M Tucker, Esq on behalf of Creditor SIMON PROPERTY GROUP INC
rtucker@simon.com, cmartin@simon.com;psummers@simon.com;Bankruptcy@simon.com

8 United States Trustee (LA)
9 ustpregion16.la.ecf@usdoj.gov

10 Eric R Wilson on behalf of Creditor Committee Official Committee Of Unsecured Creditors
kdwbankruptcydepartment@kelleydrye.com, MVicinanza@ecf.inforuptcy.com

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